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UNITED STATES DEPARTMENT OF AGRICULTURE OFFICE OF FOREIGN AGRICULTURAL RELATIONS

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LATIN AMERICAN NEWS DIGEST*

No. 526

February 4, 1944

WESTERN HEMISPHERE PRODUCING MORE RICE. Since the Japanese invasion of the Far East, particularly Burma, French Indo-China, and Thailand, three countries which had supplied 95 percent of the rice entering pre-war international trade, the Western Hemisphere has greatly increased its production of rice, to almost double what it was 15 years ago. In 1943, the rice crop reached a record of more than 200,000,000 bushels, of which, roughly speaking, 55 percent was produced in South America, 37 percent in North America, 4 percent in Central America, and 4 percent in the Caribbean area. The United States, Brazil, Ecuador, and British Guiana are still the leading exporters, with greatly expanded exports, whereas former importing countries, such as Chile, the Dominican Republic, Haiti, Surinam, Nicaragua, and Paraguay, are now producing a surplus for export. (New York Journal of Commerce)

ARGENTINE FLAXSEED PRICE LOWERED. The Argentine Grain Board lowered its flaxseed selling price to \$1.73 5/8 per bushel at Rosario, a reduction of 7-1/2 cents within a week. The country has revised its estimate of exportable surplus of flaxseed remaining to 78,283,000 bushels — well under the previous indication. (New York Journal of Commerce)

BRAZIL RAISES COFFEE-ROASTING PRICES. The Brazilian Government has approved the increase in prices of the national coffee roasters, on the score that the cost of living has been rising considerably since 1935. Up to now 2.2 pounds of the highest grade coffee retailed in Rio de Janeiro for 20 cents. Now the first grade price is 39 cents, with the rate diminishing to 24 cents for the lowest grade. The prices of green coffee have increased 200 percent since 1936. The president of the National Coffee Department predicts that 1,000,000 bags per month will be available for shipment to the United States because of improved interior shipping conditions. (New York Times)

SUPPLY OF MENTHOL FROM BRAZIL SHORT. Arrivals of menthol from Brazil have fallen far short of the trade's requirements. Because of unfavorable weather conditions over the growing season, the coming mint crop is likely to fall considerably below expectation. (New York Journal of Commerce)

QUININE PLANTINGS MADE IN COSTA RICA. As a part of the project to develop a Western Hemisphere quinine industry adequate to meet the greater portion of the Americas' needs, approximately 100,000 cinchona seedlings are to be planted in Costa Rica at Turrialba. The plantings are part of 2,000,000 cinchona seeds taken out of the Philippine Islands just before the fall of Bataan to the Japanese. They are of the high-yielding Ledgeriana type developed in the Far East from cinchona stock originally brought from South America. Peacetime consumption of quinine in the United States per year is approximately 4,500,000 ounces. (New York Journal of Commerce)

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CUBAN RICE CROP LARGE IN 1943. The 1943 rice crop in Cuba is now estimated at 2,500,000 bushels, compared with 1,400,000 bushels in 1942. Rice production has been encouraged in Cuba because of the difficulty in obtaining imported rice since the war began. High prices have offset the high cost of production and the risk involved in growing rice. Approximately 150,000 acres were sown to rice this season. Last spring the Cuban Government distributed seed rice to stimulate production. At present most of the rice is grown on unirrigated land, but current Government plans provide for an expansion of irrigation projects to aid rice cultivation. (New York Journal of Commerce)

NEXICAN DUTY INCREASES POSTPONED. The increases in Mexican duties which were announced last week as becoming effective January 17 have been postponed for 30 days. United States goods covered by the reciprocal treaty between Mexico and the United States will not be affected by the increase in Mexican import duties. (New York Journal of Commerce)

PARAGUAY BANS EXPORTATION OF MEAT BYPRODUCTS. In an effort on the part of the Government to improve the country's soil generally and forage crops in particular, Paraguay has forbidden the exportation of bone, bone meal, and other meat byproducts needed for fertilizer. (New York Journal of Commerce)

PERU MAMUFACTURES PAPER. Centering about the sugar mill of Paramonga and in Lima, Peru has been developing quite a paper-making industry. Bagasse (residue from sugarcane after juice has been extracted) and imported pulp are the materials being utilized. Present production is around 6,000 tons of paper per year, and a new unit, now nearly completed, will bring it up to 9,000 tons. At both Lima and Paramonga's new plant, which will have a capacity of 8,000 to 10,000 bags per hour, heavy bags for cement, flour, sugar, and other products will more than meet Lima's present import consumption of 1,000 tons of paper bags for cement per year. (New York Times)

PUERTO RICO'S MOLASSES SOLD TO UNITED STATES. The Defense Supplies Corporation has contracted to import 13,000,000 gallons of molasses from Puerto Rico for industrial alcohol production. The price has been raised from 1.64 cents per pound of sugar content to 2.18 cents. (New York Journal of Commerce)

EIGHT COUNTRIES SIGN FOR INTER-AMERICAN INSTITUTE. Honduras and the Dominican Republic have recently signed the convention which has been opened by the Pan American Union here to provide for the permanent organization of the Inter-American Institute of Agricultural Sciences functioning at Turrialba, Costa Rica. Six countries had previously signed. (New York Journal of Commerce)

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UNITED STATES DEPARTMENT OF AGRICULTURE OFFICE OF FOREIGN AGRICULTURAL RELATIONS

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LATIN AMERICAN: NEWS DIGEST*

No. 527

February 11, 1944

SOUTH AMERICAN BUYERS COMPLAIN OF DELAYED SHIPMENTS. Exporters are receiving bitter complaints from concerns in South America charging them with failure to take the necessary steps on their behalf to complete shipments against orders which in some instances were placed more than a year ago. According to the foreign traders, proper procedures have been followed in applying for export licenses, priorities, and shipping permits. (New York Journal of Commerce). Particularly in essential cotton textiles, traders have asserted that Latin American importers have become skeptical of United States intentions with regard to meeting their current and post-war needs. (New York Times)

ARGENTINA TO HELP PROVIDE FOOD FOR WAR-STRICKEN AREAS. In partial fulfillment of its commitments under an agreement made in July 1942, Argentina has signified its willingness to cooperate with the United Nations in providing food for relief of war-stricken areas freed from the Axis. The Argentine delegation to the 2-day meeting of the International Wheat Council, of which that country is a member, agreed to a resolution recognizing the United Nations Relief and Rehabilitation Administration as the proper agency to distribute wheat to be supplied by Council members and informed the Council that its Government was prepared to supply about 7,500,000 bushels of wheat for the purpose in "partial fulfillment." Under the agreement of July 1942 the United States agreed to contribute 50,000,000 bushels, Canada 25,000,000, the United Kingdom 25,000,000, and Argentina no specific amount, toward an initial 100,000,000-bushel relief pool. (Christian Science Monitor

BUTTER ON MAY MROM ARCENTINA. A shipment of 1,800,000 pounds of butter from Argentina is en route to this country, as a part of carrying out an agreement made some time ago. This shipment will increase to a 23,800,000-pound total the amount of butter received from Argentina since January 1943. Much of the butter is announced as being suitable only for baking because of stale, musty, or "barny" flavor. The United States estimated supply of allocable butter would total 2,046,000,000 pounds, including the 1944 production, which is estimated at 1,965,000,000 pounds, and the expected carry-over of 81,000,000 pounds, which is assumed to mean Government stocks. The understanding is that the stock pile of butter is being reduced by the conversion of a large quantity into certain "spreads" to be used in tropical climates. These "spreads" are built up with vegetable matter so that they have a higher melting point. Our armed forces recaive yearly about 20,000,000 pounds of butter from Australia and New Zealand. About 130,000,000 pounds more butter are said to have been allotted to the expanded armed forces of the United States this year than last, about 366,500,000 pounds in all. (New York Times)

OUTLOOK FOR BRAZILIAN VEGETABLE OILS GOOD. Estimates have come from semiofficial sources in Brazil that the exportable surplus of cottonseed oil in 1944 will total between 35,000 and 40,000 metric tons. Indications are that the current crop of castor beans will approximate the 1942-43 production of 250,000 metric tons, with an export surplus of between 70,000 and 80,000 metric tons of oil. (New York Journal of Commerce)

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BRAZIL AND UNITED STATES MAKE AGREEMENT FOR RUBBER. As a result of conversations in Washington between Dr. Valentin F. Boucas, acting on behalf of the Government of Brazil, and Douglas H. Allen, president of the Rubber Development Corporation, a supplemental agreement between Brazil and the United States has been reached which provides for the payment by the Rubber Development Corporation of a premium of 33 1/3 percent over the prices for national rubber established early in 1942. The premium will amount to 15 cents per pound for the basic grade of acre-fine, washed and dried. The present price is 45 cents per pound. The payment will be made on all rubber received from Brazil during the period from February 9, 1944, to March 31, 1945. The purpose of the premium is to offset the increase in production costs in Brazil since the spring of 1942, when the former agreement was made, and to provide an incentive for maximum production. The Brazilian Government agrees to assume all future development expenses in Brazil and to aid the rubber program by making immediately available the sum of 10,000,000 cruzeiros (about \$500,000) and to assume certain obligations for stabilizing costs in the Amazon section. Studies are being made in other countries of Latin America which produce wild rubber to determine whether or not costs of production in those countries have risen to a point requiring the payment of similar premiums to assure maximum production. (New York Journal of Commerce)

QUBA RAISING CORN. Corn is an important crop in Cuba; acreage ranks with that of bananas and is much larger than acreages of tobacco, coffee, beans, and peanuts. The estimated production is normally from 5,000,000 to 7,000,000 bushels. Corn is used for food entirely in Cuba and ranks with wheat flour as a staple foodstuff. Cuban corn is of the yellow flint type. It is grown during all seasons of the year, but the largest portion is produced in the rainy season, from plantings made from April to June. Yields are low, averaging only 15 to 17 bushels of shelled corn per acre. The Ministry of Agriculture's report indicates that in 1943 about one-third of Cuba's corn was grown on sugar-central land. In 1930 Cuba imported about 14,000,000 pounds of corn, but by 1939 the Island was exporting 36,300,000 pounds, which went to Puerto Rico and Venezuela. The 1943 production is estimated at 7,000,000 bushels. (Foreign Commerce Weekly)

DOMINICAN REPUBLIC FIXES SUGAR EXPORT TAX. A tax of 35 cents on each 100 pounds of raw sugar produced in the country for export and a tax of 45 cents on each 100 pounds of refined sugar for export has been established by the Dominican Republic. This tax applies only to the 1943-44 crop. It will not about \$1,500,000 more in revenue than the excess price tax. (New York Journal of Commerce)

MEXICO AND UNITED STATES SIGN WATER-USE TREATY. The United States and Mexico have signed a treaty relating to the conservation and mutual use of the waters of the Rio Grande, the Colorado, and Tijuana Rivers. The treaty provides for construction of large conservation, storage, and flood protection works on the Rio Grande between Fort Quitman, Texas, and the Gulf of Mexico, and the construction of new works along the Colorado River to bring it "under still better control for the benefit of agricultural, municipal and industrial uses." Possibilities of power generation at international hydroelectric plants will also be explored. The pact will take force on the day of the exchange of ratifications, and at that time the present boundary commission will become a newly constituted body known as the International Boundary and Water Commission, United States and Mexico. The State Department has called the treaty "a step of epic importance" in the application of the Good Neighbor policy. (New York Times)

UNITED STATES DEPARTMENT OF AGRICULTURE CURRENT SERIAL RECORD OFFICE OF FOREIGN AGRICULTURAL RELATIONS

LATIN AMERICAN NEWS DIGEST *

No. 528

February 18, 1944 U.S. DEPARTMENT OF AGRICULTURE

HEMISPHERE TARIFF UNION DISCUSSED. The creation of a tariff union "to neutralize the effects of regionalistic influences and to extend industrial and natural resources production of the Americas" was advocated recently by an official of the Brazilian Government. (New York Journal of Commerce)

CUSTOMS UNIONS PROPOSED BY ARGENTINA. The Argentine Ambassador to the United States revealed recently Argentina's plan for the formation, "without the most remote political aim, " of customs unions with adjacent countries. "for the better economic development of the countries . . and the attainment of a higher standard of living for the populations concerned." He also said: "And it is our keenest desire to leave the doors wide open to the whole continent to adhere to this regime, thereby converting to a harmonious reality the dreams of Washington, of Bolivar, of San Martin and so many great men of America." (New York Times)

ARCENTINE FLAXSEED FOR UNITED KINGDOM. It is reported that Washington has purchased more than 10,000 tons of Argentine flaxseed for United Kingdom account. Aside from a moderate-quantity sale to Sweden recently, this was the first sale of Argentine seed in any volume during the past few months. No immediate resumption of United States buying of Argentine seed seemed imminent. (New York Journal of Commerce)

MORE AND CHEAPEP RUBBER TO COME FROM BRAZIL: Under the new arrangement for the production of rubber the Brazilian Government hopes to expand its production to a point where it can guarantee to supply at least 10 percent of the United States rubber needs. Last year Brazil sent 70 percent of its rubber production to the United States, including 6,000 tons of tires and tubes manufactured in Brazil. Since Brazil has assumed "certain obligations which the [Rubber Development] Corporation had assumed in order to stabilize production costs in the Amazon," the cost of rubber will be 60 cents instead of the \$1.12 per pound which was the cost under United States operation. Thus the final price of rubber to the United States will be less, even with the 15 percent increase given the Brazilian Government over the price agreed upon in 1942. (New York Journal of Commerce) CONTRACTOR.

MORE COFFEE FOR UNITED STATES. The U.S. Department of Agriculture has announced that the amount of coffee to be available for civilian use this year will be about 39 percent higher than that of last year. Some speculation has been aroused as to whether aid may be given U.S. buyers of Brazil's coffee, either by the U.S. Government raising the ceiling price of coffee or in some other way, so that the higher prices asked by Brazilian coffee shippers may be met. These prices have been raised on the basis of increased cost of production of coffee. The speculation arises from the recent arrangement made between the United States and the Brazilian Government to increase the price paid for natural rubber 15 percent over that agreed upon in 1942 because of increase in the cost of rubber production in Brazil since that time. (New York Journal of Commerce)

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CUBAN QUOTA OF TOBACCO ALMOST FILLED. The Bureau of Customs announced recently that Cuban filler and scrap tobacco entering the United States has almost equaled the established quota. (New York Journal of Commerce)

CLOSE OF CUBAN BLACKSTRAP DEAL HINTED. Reports are hinting that the deal for Cuban blackstrap molasses with the United States has been closed. No official announcement, however, has been made. (New York Journal of Commerce)

CUBA WILL SUPPORT SUGAR FOUNDATION. The great sugarcane industry of Cuba, the largest in the world, has signed an agreement allying it with the Sugar Research Foundation of New York in the program to explore the possibilities of sugar as a basic material in the human diet through scientific studies. The research of the Foundation is carried on largely at the Massachusetts Institute of Technology. (New York Journal of Commerce)

GUATEMALA RELAXES CUSTOMS SURCHARGE ON CERTAIN IMPORTS. Imports into Guatemala of gum lac, gum myrrh, gum benzoin, gum arabic, senna leaves, and rhubarb roots, regardless of country of origin, have been exempted, for the duration of the war, from the payment of the customs surcharge of 100 percent of duty and other customs charges, according to a recent Guatemalan customs circular. (New York Journal of Commerce)

UNITED STATES BUYS HONEY FROM MEXICO. Mexico's production of honey in 1943 was estimated at between 10,000 and 15,000 metric tons, of which 7,000 tons were exported to the United States. (New York <u>Journal of Commerce</u>)

PERU SAVING ITS VICUÑAS. Stringent laws have been enacted in Peru and Bolivia to protect the vicuña, whose coat is of softest wool. This small member of the camel family, grazing the upper valleys of the Andes from 14,000 to 16,000 feet above sea level, has been hunted almost to extinction for its wool. More than 300 vicuñas have been established on a hacienda near Puno, Peru. (New York Times)

VENEZUELA HAS GOOD COCOA CROP. Brokers in Caracas, Venezuela, report that this year's cocoa crop in that country is to be a bumper one. More than 2,000 sacks have reached La Guaira so far for export to the United States and other Latin American Republics, according to an announcement by the Office of Coordinator of Inter-American Affairs. (New York Journal of Commerce)

UNITED STATES DEPARTMENT OF AGRICULTURE OFFICE OF FOREIGN AGRICULTURAL RELATIONS.

LATIN AMERICAN NEWS DIGEST*

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FLAVORED SUGAR SIRUPS ARE RATION FREE UNTIL MAY. The importation of flavored sugar sirups without the surrender of sugar ration certificates will cease on May 1. In the meantime, shipments in transit or supplies in the possession of industrial users on that date may be used without being charged against sugar allotments. (New York Journal of Commerce)

JOINT BUYING PLAN FOR ARGENTINE CASEIN HIT. Large processors of casein have joined importers groups in strong opposition to the proposed Anglo-American joint commission for purchasing casein in Argentina. Of the 30,000,000 pounds for which import licenses were granted, about 10 percent did not arrive in the United States until last month and will be included in the 1944 totals. Domestic production in 1943 slumped some 12,000,000 pounds last year from that of 1942. (New York Journal of Commerce)

BRAZILIAN COFFEE PRICES SETTLED. The National Coffee Department of Brazil has given its decision on prices of coffee. In Rio de Janeiro, on the basis of increased living costs, the retailers' prices have been placed at 4.70 cruzeiros per pound (between 11 and 12 cents) for the low grades and 7.70 cruzeiros (between 16 and 17 cents) for the highest. Practically everyone seems satisfied with the decision. In the cafes, however, coffee will still be sold at the same old price of 20 centavos (1 cent) for the "cafezinho" (small cup of black coffee with sugar) and 40 centavos (2 cents) for the "media" (larger cup with milk). (New York Journal of Commerce). At the same time, the National Coffee Department stated that Brazil would adhere 100 percent to the American price ceiling on coffee and would immediately increase shipments from the interior to the seaboard to have sufficient coffee on hand for export. Brazil will take advantage of all shipping space available to rush coffee to the United States at the minimum official prices, desiring to maintain the level of Brazilian coffee "and avoid the recurrence of the past few months when the stocks of some types of Brazilian coffee were below their normal quota and other coffees were substituted for the Brazilian products." (New York Times)

BRAZIL SUSPENDS DUTIES ON SULEA DRUGS AND VITAMINS. The Brazilian Government has granted duty-free entry until July 8, 1944, to sulfonamides and their derivatives and to vitamins. The same law suspended, until further notice, the privileges for the preparation and use of sulfonamides. The reason given is to prepare the country for a possible epidemic of influenza. (New York Journal of Commerce)

SEED FARM IN CHILE TO PRODUCE FOR POST-WAR EUROPE. 'A French refugee in Chile is operating a seed farm near Santiago, producing the garden seeds that are preferred in Europe, particularly in France and the Netherlands. The seeds are for postwar use in those countries. (Christian Science Monitor)

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ALCOHOL-MOLASSES DEAL WITH CUBA CLOSED. An agreement has been reached between the United States and Cuba whereby: The United States will purchase an initial minimum of 65,000,000 gallons of blackstrap molasses on a 13.6-cent basis to be used for industrial alcohol, and will buy up to 12,500,000 gallons of 190 proof industrial alcohol at 65 cents a gallon, f.o.b. Havana. However, if any of this alcohol is not produced by Cuban distilleries, Cuba agrees to sell to the United States the molasses which would be needed to produce that amount. Cuba agrees to limit the export of beverage alcohol to the United States in 1944 to the 1943 level. The United States agrees to move the alcohol and molasses as soon as possible. Meanwhile representatives of the Puerto Rican rum institute, acting on the assumption that a similar agreement would be reached in their case, came out in advance in strong opposition to limiting U. S. imports of Puerto Rican rum to the 1943 quota. (New York Journal of Commerce)

DONITICAN REPUBLIC SURPLUSES OF FOOD TO RELIEVE CARIBBEAN SHORTAGES. According to a recently announced agreement that is to run to June 30, 1945, the exportable surplus of several foodstuffs in the Dominican Republic will be purchased by the U. S. Government through the Foreign Economic Administration in order to help meet shortages of food in the Caribbean and other areas, particularly in Puerto Rico. Under a previous agreement the Dominican Republic is selling exclusively to the United States for distribution in Caribbean areas its surplus of corn, rice, and peanut cake. Now peanuts, red kidney beans, and live cattle are added to the list. In addition, the United States receives an option to buy butter, eggs, fresh vegetables, and fruits, The Dominican Government is contributing substantially in providing a fleet of vessels for inter-island transportation of foodstuffs. (New York Times)

WATER TREATY WITH MEXICO PROTESTED BY CALIFORNIA. A strong protest from California has arisen against the treaty providing for joint use and conservation of the waters of the Colorado, Rio Grande, and Tijuana Rivers. The treaty has been signed by representatives of both countries and was referred to the Senate for ratification. California asks an investigation of the constitutionality of the treaty as invading the rights of Congress to dispose of United States property. California claims that the redistribution of the waters of the three rivers would leave thousands of acres of land in that state without sufficient water for irrigation and would jeopardize an investment of about \$500,000,000. (Washington Post and New York Times)

VEGETABLES COMING FROM MEXICO. In spite of devastating hurricanes in October and floods in January, Mexico has sent across the border into the United States, up to February 10, about 1,622 carloads of vegetables grown in Sinaloa and Sonora, including 1,455 carloads of tomatoes, 97 of green peas, 56 of chili, and 24 miscellaneous. This figure compares with 1,417 carloads in the same period last season. Consumers in the northwest of Mexico are saying that the high prices which they have to pay for fresh vegetables are due to these heavy exports. (New York Journal of Commerce)

CENTRAL AMERICA INCREASING SUPPLIES OF STRATEGIC MATERIALS. Central America is making almost miraculous strides in production of strategic materials. Rubber: Honduras is said to have available from wild trees 40,000 pounds monthly; Nicaragua exported in 1942 over 1,000,000 pounds; Costa Rica increased its shipments 400,000 pounds; Guatemala in 1943 set out 7,000 acres to rubber trees; and in Honduras former banana workers are tapping trees on abandoned plantations. Cinchona: Costa Rica, Guatemala, and Honduras have cinchona plantations of thousands of acres. Abaca: To date Central America has produced some 3,000,000 pounds of abaca fiber, and the full program of planting 40,000 acres will produce from 50,000,000 to 60,000,000 pounds annually. (New York Journal of Commerce)